

Division of Securities
Utah Department of Commerce
160 East 300 South
P. O. Box 146760
Salt Lake City, UT 84114-6760
Telephone: (801) 530-6600
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**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

IN THE MATTER OF:

**DFTF FINANCIAL GROUP, LLC;
ARIZONA CYBER AUTO;
DENNIS T. WYNN;**

Respondents.

ORDER TO SHOW CAUSE

**Docket No. SD-06-0065
Docket No. SD-06-0066
Docket No. SD-06-0067**

It appears to the Director of the Utah Division of Securities (Director) that DFTF Financial Group, LLC, Arizona Cyber Auto, and Dennis T. Wynn (collectively the Respondents), may have engaged in acts and practices that violate the Utah Uniform Securities Act, Utah Code Ann. § 61-1-1, et seq. (the Act). Those acts are more fully described herein. Based upon information discovered in the course of the investigation of this matter by the Utah Division of Securities (Division), the Director issues this Order to Show Cause (OSC) in accordance with the provisions of § 61-1-20(1) of the Act.

STATEMENT OF JURISDICTION

1. Jurisdiction over the Respondents and subject matter is appropriate in this matter because the Division alleges that the Respondents violated § 61-1-1 (Securities Fraud) of the Act while engaged in the offer and sale of securities in Utah.

STATEMENT OF FACTS

THE PARTIES

2. DFTF Financial Group LLC (DFTF) was registered as a Utah limited liability company on May 10, 2004, and its current corporate status is “active.” Dennis T. Wynn is the registered agent of DFTF and he and his wife, Ruan Wynn, are the only two members. DFTF’s business address is 9160 S. 300 W. #2, Sandy, Utah.
3. Arizona Cyber Auto (Cyber Auto) is not a registered entity in Utah. Cyber Auto is a registered trade name in Arizona, and Dennis Wynn Co. Inc. is its registered agent/owner.
4. Dennis T. Wynn (Wynn) resides in Salt Lake County, Utah. Wynn owns and operates DFTF Financial Group LLC and Arizona Cyber Auto.

GENERAL ALLEGATIONS

5. From June 2003 to October 2005, Respondents solicited a total of \$82,026.18 in investments from at least four different investors.
6. Respondents generally told investors their money would be used to “flip” vehicles, meaning Respondents would purchase vehicles at wholesale, and then sell the vehicle for

a profit which would be split with the investor. Respondents told two investors their investments would be secured by the vehicle purchased, but then failed to deliver the title to the investor.

7. Wynn gave two of the investors unsecured promissory notes to evidence their investments, which are securities under the Act. The other two investors entered into verbal investment contracts with Wynn, which are also securities under the Act.
8. Respondents failed to tell investors, among other things, that Wynn filed for personal bankruptcy in 1989, and his company, Wynn Company, Inc.¹, filed for bankruptcy in 2002; that Wynn had over \$2 million in outstanding civil judgments against him; that the IRS filed a \$163,860 tax lien against any and all of Wynn's real property in 2001; that the state of Utah filed criminal charges against Wynn in 2002 for several violations of the Utah Motor Vehicle Business Regulation Act, and that in 2003, Wynn entered into a plea in abeyance with the state resulting in dismissal of the criminal charges.
9. Of the four investors included in this OSC, one received a few interest and principal payments, and the remaining three received none of their interest or principal from Wynn, despite their demands.

¹ Wynn Company, Inc. was a registered Utah corporation from 1990 to 2001. Wynn Company, Inc. operated a used car dealership in Salt Lake City, Utah, and Dennis T. Wynn was its president and director.

Investors V. F. and M. F., Husband and Wife

10. In May 2003, V. F. and M. F. met with Wynn and his daughter, Amy Wynn, at a Salt Lake County title company to discuss an investment opportunity in Wynn's company, Cyber Auto.
11. Wynn told V. F. and M. F. their investment would be used to purchase vehicles at wholesale, and those vehicles would later be sold to purchasers with poor credit. Wynn said he would arrange financing for the purchaser, with a fairly high interest rate, and when payments for the vehicle were received by Wynn, he would split the interest between Wynn and the investors (V. F. and M. F.). Wynn told V. F. and M. F. he would reinvest their principal and continue paying them their half of the interest received from vehicle purchasers.
12. Wynn told V. F. and M. F. that an investment of \$23,000 would allow them to invest in four separate car transactions which would provide them with a profit of \$1,245 per month.
13. Wynn told V. F. and M. F. he offered the same type of investment opportunity through his Arizona company, and those investors were receiving 15-20% returns.
14. Wynn told V. F. and M. F. the investment was secured by the vehicles purchased, and that the vehicle titles would be in their name.

15. Wynn also told V. F. and M. F. a GPS (global positioning satellite) unit would be installed on each vehicle, and if a client failed to pay, the GPS unit would shut the car down.
16. On June 5, 2003, V. F. and M. F. invested \$23,116.18 with Wynn by giving him a personal check made payable to WFG². Wynn told V. F. and M. F. to set up a new bank account, provide him with the account number, and he would send their monthly payments to the account beginning in July 2003.
17. In July 2003, V. F. and M. F. contacted Wynn when they did not receive a payment in their account. Wynn told V. F. and M. F. the bank account needed to be opened at Wells Fargo Bank. V. F. and M. F. therefore opened an account at Wells Fargo Bank and provided Wynn with the account information.
18. After not receiving payments from Wynn for six months, V. F. and M. F. contacted Wynn. Wynn told V. F. and M. F. he could not pay them at the moment, but said he would give them additional car contracts to secure their investment. Wynn then gave V. F. and M. F. a one page list of eight individuals whose automobile purchase contracts supposedly secured the investment of V. F. and M. F.

² WFG Acceptance was registered in Utah as a DBA of Wynn Company, Inc. from 1997 to 2001. WFG Acceptance was the financing arm of Wynn Company, Inc., and arranged financing for those purchasing vehicles from Wynn Company, Inc.

19. On June 30, 2004, Wynn gave V. F. and M. F. a payment check from Cyber Auto for \$1,245 and told them not to deposit the check for a few days. The check never cleared the bank.
20. Despite several demands, V. F. and M. F. have received no payments from their investment with Wynn and Cyber Auto. V. F. and M. F. are still owed \$23,116.18 in principal alone.

Investor R. S.

21. In February 2005, R. S. and his wife met with Wynn several times at Financially Fit, Salt Lake County, where Wynn was employed as a financial consultant providing advice and personal finance coaching to individuals. Wynn told R. S. that Financially Fit employed Wynn because of his prior experience buying and selling automobiles.
22. On April 28, 2005, at Financially Fit's offices, Wynn asked R. S. if he wanted to make \$500. Wynn told R. S. he had a client who wanted to purchase a vehicle but has poor credit. Wynn asked R. S. to invest \$7,000 in cash with him, which would pay for the purchase of the client's vehicle. Wynn told R. S. the client would pay Wynn \$7,500 within one week, and at that time, Wynn would pay R. S. \$7,500.
23. Wynn told R. S. the vehicle title would secure his investment and remain in Wynn's possession until the client paid in full.
24. Wynn suggested he and R. S. continue this process for other clients who were struggling financially.

25. On May 18, 2005, R. S. obtained a \$7,000 cashier's check made payable to himself. R. S. cashed the check and gave Wynn \$7,000 cash at Financially Fit's offices.
26. One week later, Wynn told R. S. he received the \$7,500 from his client, but he used it to purchase a vehicle for a different client. Wynn told R. S. he would make another \$500 from the purchase and sale of this second vehicle.
27. On June 17, 2005, Wynn gave R. S. a check for \$1,000 from Financially Fit's account, and told him it was the profit from the sale and purchase of the two vehicles. Wynn asked R. S. if he would rather reinvest the \$1,000 in the purchase of another vehicle. R. S. agreed to reinvest the \$1,000, cashed the check he received from Financially Fit, and gave it to Wynn the very same day.
28. Sometime in the following week, R. S. talked to Financially Fit's payroll specialist who told R. S. the \$1,000 check was R. S.'s training pay³ and was not intended to be the profit from any vehicle transactions involving Wynn. The payroll specialist also told R. S. Financially Fit did not have a bank account dedicated to vehicle transactions.
29. R. S. confronted Wynn with this information, and asked Wynn to return his \$7,000 investment. Wynn told R. S. he would get his money back.
30. Between June and August 2006, R. S. received three checks from Wynn, totaling \$7,000. It is not clear, however, if the \$7,000 was payment toward R. S.'s \$7,000 investment, or if

³ R. S. was in training at Financially Fit to become a financial consultant.

it is a refund of a portion of the money R. S. gave to Wynn to purchase two vehicles for the personal use of R. S. In April 2005, R. S. gave Wynn \$45,000 to purchase a couple of vehicles for R. S. and his wife. Wynn used R. S.'s money to purchase one vehicle for \$19,200, and kept the rest (\$25,800) of R. S.'s money.

31. Despite several demands, R. S. has received no return of his interest or principal from Wynn. R. S. is still owed \$7,000 in principal alone.

Investor T. H.

32. Investor T. H. met Wynn at a Salt Lake County business called Financially Fit, where they were both employed as financial consultants, providing personal finance coaching to individual clients.
33. In July 2005, Wynn described an investment opportunity in his company Cyber Auto, to investor T. H., which involved "flipping" vehicles.
34. Wynn told T. H. he could purchase vehicles at wholesale and sell them for retail prices through his Cyber Auto dealership. Wynn told T. H. each vehicle transaction produces a \$500 profit, which is split evenly with the investor.
35. Wynn told T. H. she would initially need to invest at least \$6,500 to start the vehicle-flipping process.
36. On August 31, 2005, T. H. obtained a cash advance of \$6,500 from her credit card and turned it into a cashier's check made payable to Cyber Auto. Wynn told T. H. it would expedite the process if T. H. deposited the money directly into Wynn's personal bank

account at U.S. Bank. T. H. then cashed the cashier's check, and deposited the cash into Wynn's account at U.S. Bank.

37. Wynn gave T. H. a promissory note in return for her investment. The note stated that Dennis T. Wynn would pay T. H. \$6,750 on or before September 10, 2005, and bore Wynn's signature.
38. On September 10, 2005, T. H. asked Wynn, in person, for her \$6,750. Wynn told T. H. he was busy but would pay her the following day.
39. On September 20, 2005, Wynn delivered a check for \$6,750 to T. H. at her home. After Wynn left, T. H. noticed that the check was not signed. T. H. contacted Wynn regarding the unsigned check, and he immediately went back to her home and signed the check.
40. On September 21, 2005, T. H. tried to cash the check at Wynn's bank and was told the account had insufficient funds.
41. On September 22, 2005, T. H. contacted Wynn's bank and was again told there were insufficient funds.
42. On September 23, 2005, T. H. called Wynn and left him a message about the insufficient funds.
43. On September 24, 2005, Wynn called T. H. and told her his money was "tied up" in the purchase of vehicles but the funds would be available in two days.
44. On October 7, 2005, at the Financially Fit offices, Wynn gave T. H. a check for \$300, which cleared the bank.

45. From December 30, 2005 through January 14, 2006, Wynn sent T. H. four checks totaling \$2,000, which all cleared the bank.
46. Despite several demands, T. H. has received no additional payments of interest or principal from Wynn. T. H. is still owed \$4,200 in principal alone.

Investor M. S.

47. Investor M. S. met Wynn at a Salt Lake County business called Financially Fit, where they were both employed as financial consultants, providing financial coaching to individual clients.
48. In August 2005, at Financially Fit's offices, Wynn approached M. S. about an investment opportunity involving the purchase of a vehicle for one of Wynn's Financially Fit clients.
49. Wynn told M. S. he had a client who needed to purchase a vehicle, but would not have the funds for a couple of weeks. Wynn asked M. S. to invest \$6,500 with Wynn, which would be used to purchase a vehicle for his client, and once his client obtained financing, Wynn would pay M. S. his principal plus \$300 in interest.
50. On August 31, 2005, M. S. transferred, via wire transfer, \$6,500 to Wynn's Zion's bank account in Salt Lake City.
51. In return for M. S.'s investment, Wynn gave M. S. a promissory note from Wynn for \$6,500, with a maturity date of September 10, 2005 (the First Note). For collateral, Wynn also gave M. S. the original title to the vehicle purchased.

52. In September 2005, at a restaurant in Draper, Utah, Wynn told M. S. he wanted to go into business with M. S. Wynn said, through his company DFTF, he would hold seminars to educate real estate agents about mortgages, M. S. would do the accounting and draft a business plan, and they would split the profits evenly. M. S. agreed to go into business with Wynn.
53. In October 2005, Wynn told M. S. some of his DFTF clients wanted to purchase vehicles, and that Wynn needed \$39,910 to cover the cost of purchasing the vehicles until his clients obtained financing. Wynn told M. S. if he invested \$39,910 in the purchase of these vehicles, Wynn would pay him back his principal plus 18% interest.
54. On October 19, 2005, M. S. invested \$39,910 with Wynn, by sending the money via wire transfer, from his IRA account to Wynn's U.S. Bank account in Salt Lake City. M. S. told Wynn he had to use funds from his retirement account to make the investment. M. S. received a promissory note from Wynn to evidence his investment, which matured on April 17, 2006, and bore Wynn's signature (the Second Note).
55. M. S. continued to ask Wynn for payment on his First Note, and Wynn continued to tell M. S. he did not have the money.
56. On March 23, 2006, M. S. received a check for \$6,800 from Wynn for payment on the First Note. The check cleared the bank.
57. On April 17, 2006, M. S. tried to contact Wynn regarding payment on M. S.'s Second Note, with no success.

58. In late April or early May 2006, Wynn contacted M. S. and admitted to using M. S.'s investment for personal expenses instead of purchasing vehicles for clients.
59. Despite several demands, M. S. received no payment of interest or principal on his Second Note with Wynn, and is still owed \$39,910 in principal alone.

CAUSES OF ACTION

COUNT I Securities Fraud under § 61-1-1(2) of the Act (Respondents)

60. The Division incorporates and re-alleges paragraphs 1 through 59.
61. The promissory notes and investment opportunities offered and sold by Respondents are securities under § 61-1-13 of the Act.
62. In connection with the offer and sale of a security to investors, Respondents, directly or indirectly, made false statements, including, but not limited to, the following:
- a. Wynn told investor R. S., M. S., and T. H., their money would be used to purchase vehicles, when, in fact, Wynn used their investments for business and operating expenses, and personal expenses, such as, but not limited to, the following:
 - i. Payroll
 - ii. Payments to his wife and daughter
 - iii. Payments to his companies, Wynn Company, Inc., and DFTF
 - iv. Gasoline
 - v. Food

- vi. Car payments for Wynn's personal vehicle;
- b. Wynn told investor M. S. his money would be used to purchase vehicles, when, in fact, this was not true. In late April or early May 2006, Wynn contacted M. S. and admitted to using M. S.'s investment for personal expenses;
- c. Wynn gave R. S. a check for \$1,000 from Financially Fit, and told him it was the profit from R. S.'s investment, when, in fact, the \$1,000 was from Financially Fit and was supposed to be used by R. S. to pay for training. R. S. reinvested the \$1,000 with Respondents the same day;
- d. Wynn told investors R. S., T. H., and M. S. they would receive interest plus principal from their investments, when, in fact, based on the fact that Wynn had already missed interest and principal payments to at least one prior investor, Wynn had no reasonable basis on which to make these representations;
- e. Wynn told investor R. S. his investment would be secured by the title to the vehicle(s) purchased, when, given that Wynn had failed to secure at least one prior investor with a vehicle title, Wynn had no reasonable basis on which to make this representation;
- f. Wynn told investors V. F. and M. F. that a GPS tracking device would be attached to the purchased vehicle and shut the vehicle down if the client failed to pay, when, in fact, Respondents had no reasonable basis on which to make this representation; and

- g. Wynn told V. F. and M. F. that his Arizona investors were receiving interest of 15-20%, when, in fact, Respondents had no reasonable basis on which to make this representation.
63. In connection with the offer and sale of a security to investors, Respondents, directly or indirectly, failed to disclose material information, including, but not limited to, the following:
- a. That Wynn filed for personal bankruptcy in 1989, and his company, Wynn Company, Inc., filed for bankruptcy in 2002;
 - b. That Wynn had over \$2 million in outstanding civil judgments against him;
 - c. That in 2001, the Internal Revenue Service filed a \$163,860 tax lien with the Maricopa County Recorder's office in Arizona, against all of Wynn's property and rights to property;
 - d. That the state of Utah filed criminal charges against Wynn in 2002 for Failure to Deliver Title, Failure to Payoff Consignor, Expired Temporary Vehicle Registration and Payoff Lien on Motor Vehicle Trade, and that in 2003, Wynn entered into a plea in abeyance with the state. The case was dismissed in 2004 after Wynn satisfied the terms of the plea in abeyance;
 - e. That in 1988, the Utah Real Estate Commission revoked Wynn's real estate license;

- f. Some or all of the information typically provided in an offering circular or prospectus regarding DFTF or Cyber Auto, such as:
- i. The business and operating history for DFTF or Cyber Auto;
 - ii. Identities of DFTF's or Cyber Auto's principals along with their experience in this type of business;
 - iii. DFTF and Cyber Auto financial statements;
 - iv. The market for the product of the company;
 - v. The nature of the competition for the product;
 - vi. Current capitalization of the issuer;
 - vii. A description of how the investment would be used by the business;
 - viii. DFTF's and Cyber Auto's past performance for its investors;
 - ix. Risk factors for investors;
 - x. The number of other investors;
 - xi. The minimum capitalization needed to participate in the investment;
 - xii. The disposition of any investments received if the minimum capitalization were not achieved;
 - xiii. The liquidity of the investment;
 - xiv. Discussion of pertinent suitability factors for the investment;
 - xv. The proposed use of the investment proceeds;

- xvi. Any conflicts of interest the issuer, the principals, or the agent may have with regard to the investment;
 - xvii. Agent commissions or compensation for selling the investment;
 - xviii. Whether the investment is a registered security or exempt from registration; and
 - xix. Whether the person selling the investment was licensed.
64. Based on the above, DFTF Financial Group LLC, Arizona Cyber Auto, and Dennis T. Wynn, willfully violated § 61-1-1(2) of the Act.

COUNT II
Fraudulent Practices under § 61-1-1(3) of the Act
(Respondents)

65. The Division incorporates and re-alleges paragraphs 1 through 64.
66. In connection with the offer and sale of a security to investors, Respondents, directly or indirectly, engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit upon any person by,
- a. Promising to secure investors V. F., M. F., and R. S.'s investments with title to vehicles purchased, without a reasonable expectation that Respondents would in fact do so;
 - b. Promising to deliver new car contracts to investors V. F. and M. F. in lieu of unpaid interest, to disguise Respondents' failure to make payments due and to lull

the investors into believing Respondents were not suffering from financial difficulties;

- c. Giving interest checks to investors, while knowing they would not clear the bank, in order to lull investors;
- d. Using Financially Fit's money to pay R. S., claiming it was a profit; and
- e. Using money for personal expenses, not the promised purpose.

67. Based on the above, DFTF Financial Group LLC, Arizona Cyber Auto, and Dennis T. Wynn, willfully violated § 61-1-1(3) of the Act.

ORDER

The Director, pursuant to § 61-1-20 of the Act, hereby orders Respondents to appear at a formal hearing to be conducted in accordance with Utah Code Ann. §§ 63-46b-4 and 63-46b-6 through -10, and held before the Utah Division of Securities. The hearing will occur on Monday, October 16, 2006, at 9:00 a.m., at the office of the Utah Division of Securities, located in the Heber Wells Building, 160 East 300 South, 2nd Floor, Salt Lake City, Utah. If Respondents fail to file an answer or appear at the hearing, the Division of Securities may hold Respondents in default, and a fine may be imposed in accordance with Utah Code Ann. § 63-46b-11. In lieu of default, the Division may decide to proceed with the hearing under § 63-46b-10. At the hearing, Respondents may show cause, if any they have:

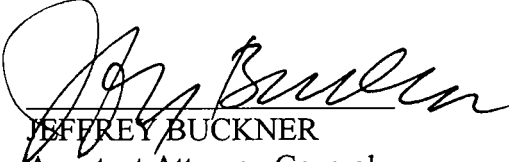
- a. Why DFTF Financial Group LLC, Arizona Cyber Auto, and Dennis T. Wynn should not be found to have engaged in the violations alleged by the Division in this Order to Show Cause;
- b. Why DFTF Financial Group LLC, Arizona Cyber Auto, and Dennis T. Wynn should not be ordered to cease and desist from engaging in any further conduct in violation of Utah Code Ann. § 61-1-1, or any other section of the Act;
- c. Why DFTF Financial Group LLC should not be ordered to pay a fine of fifty thousand dollars (\$50,000) to the Division;
- d. Why Arizona Cyber Auto should not be ordered to pay a fine of fifty thousand dollars (\$50,000) to the Division; and
- e. Why Dennis T. Wynn should not be ordered to pay a fine of one hundred thousand dollars (\$100,000) to the Division.

DATED this 8th day of September, 2006.


WAYNE KLEIN
Director, Utah Division of Securities



Approved:



JEFFREY BUCKNER
Assistant Attorney General

J. H.

Division of Securities
Utah Department of Commerce
160 East 300 South
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**BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
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IN THE MATTER OF:

**DFTF FINANCIAL GROUP LLC;
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DENNIS T. WYNN;**

Respondents.

NOTICE OF AGENCY ACTION

**Docket No. SD-06-0065
Docket No. SD-06-0066
Docket No. SD-06-0067**

THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENTS:

The purpose of this Notice of Agency Action is to inform you that the Division hereby commences a formal adjudicative proceeding against you as of the date of the mailing of the Order to Show Cause. The authority and procedure by which this proceeding is commenced are provided by Utah Code Ann. §§ 63-46b-3 and 63-46b-6 through 11. The facts on which this action is based are set forth in the foregoing Order to Show Cause.

Within thirty (30) days of the mailing date of this notice, you are required to file an Answer with the Division. The Answer must include the information required by Utah Code § 63-46b-6(1). In addition, you are required by § 63-46b-6(3) to state: a) by paragraph, whether you admit or deny each allegation contained in the Order to Show Cause, including a detailed explanation for any response other than an unqualified admission; b) any additional facts or

documents which you assert are relevant in light of the allegations made; and c) any affirmative defenses (including exemptions or exceptions contained within the Utah Uniform Securities Act) which you assert are applicable. To the extent that factual allegations or allegations of violations contained in the Order to Show Cause are not disputed in your Answer, they will be deemed admitted.

Your Answer should be filed with the Division, attention Pam Radzinski, P.O. Box 146760, Salt Lake City, Utah 84114-6760. A copy of your Answer should also be mailed to the Division's attorney, Jeff Buckner, Assistant Attorney General in the Utah Attorney General's Office, 160 East 300 South, P.O. Box 140872, Salt Lake City Utah 84114-0872, telephone (801) 366-0310.


A hearing date has been set for Monday, October 19, 2006, at 9:00 a.m., at the office of the Utah Division of Securities, located in the Heber Wells Building, 160 East 300 South, 2nd Floor, Salt Lake City, Utah.

If you fail to file an Answer, as set forth herein, or fail to appear at the hearing, the Division of Securities may hold you in default, and a fine and other sanctions may be imposed against you in accordance with Utah Code Ann. § 63-46b-11, without the necessity of providing you with any further notice. In lieu of default, the Division may decide to proceed with the hearing under § 63-46b-10. At the hearing, you may appear and be heard and present evidence on your behalf. You may be represented by counsel during these proceedings.

The presiding officer in this case is Wayne Klein, Director, Division of Securities, 160 East 300 South, P.O. Box 146760, Salt Lake City, UT 84114-6760, telephone (801) 530-6600.

Questions regarding the Order to Show Cause and Notice of Agency Action should be directed to the Division's attorney, Jeff Buckner, at (801) 366-0310.

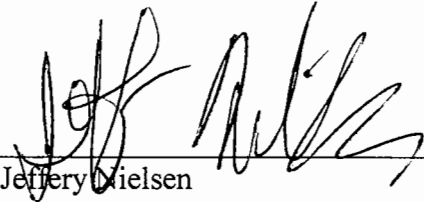
DATED this 8th day of September, 2006.


WAYNE KLEIN
Director, Division of Securities
Utah Department of Commerce



Service of Process

On the 8th day of September, 2006, I hand delivered a true and correct copy of the Order to Show Cause and Notice of Agency Action to Dennis T. Wynn, DFTF Financial Group LLC, and Arizona Cyber Auto at DFTF's offices located at 9160 S. 300 W. #2, in Sandy, Utah.



Jeffery Nielsen
Investigative Technician
Utah Division of Securities